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February 18, 2010

Mr. Calvin Leleux
President & CEO
Swiftships Shipbuilders, LLC
1105 Levee Road
Morgan City, LA 70380

J. Douglas Baldridge

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**RE: Agreement between Admiral (ret.) James A. Lyons, Jr.
("Admiral Lyons") and Swiftships Shipbuilders, LLC
("Swiftships") effective date April 13, 2009 (the "Agreement")**

Dear Mr. Leleux:

Please be advised that Venable LLP is counsel to Admiral James "Ace" Lyons, USN (ret.) in connection with all matters and disputes relating to the Agreement. The purpose of this letter is to advise you that Admiral Lyons expects full and prompt payment from Swiftships of all amounts due him under the Agreement. Swiftships' continued failure to abide by the Agreement will result in litigation being initiated against Swiftships (and possibly individuals associated with the company) to protect Admiral Lyons' rights.

As you know, the Agreement entitles Admiral Lyons to "3% of each new contract [brought to Swiftships which was] obtained by Lion" Associates LLC (Admiral Lyon's business entity). In accordance with the Agreement, Admiral Lyons worked diligently to promote Swiftships' overall capabilities and merits before relevant federal agencies, as well as kept the procurement officer fully informed of your company's attributes. In fulfilling his obligations, Admiral Lyons was successful in demonstrating the merits of Swiftships such that it was awarded an \$180,998,189 contract (N00024-09-C-2256) for the design and manufacture of patrol vessels for the Iraq Navy.

Under the Agreement, Admiral Lyons is entitled to the full and prompt payment of \$5,436,675.67 (3% X \$180,998,189). Moreover, based upon his introduction of Swiftships to the applicable procurement officials, Swiftships also obtained a contract award for the training associated with the patrol vessel project. (N61339-09-C-0034). We are continuing to investigate Admiral Lyons' entitlement under the Agreement to an additional \$690,000 in connection with the associated training contract. (\$23,000,000 X 3%).

We request a meeting at my offices in Washington, D.C. with the appropriate representatives of Swiftships within 7 calendar days of the date of this letter to make a final attempt to resolve this dispute without litigation. Failure to promptly schedule this meeting and finally resolve this matter within this timeframe will result in a lawsuit being

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initiated against Swiftships (and possibly others) for the full amount to which Admiral Lyons is entitled under the Agreement.

Additionally, Admiral Lyons reserves all of his other rights, including without limitation any rights he may have to pursue appropriate formal and informal action with the governmental officials involved with the procurement.

Sincerely,



J. Douglas Baldridge